

Statement of Rep. Bruce Braley
Ranking Member, Committee on Energy and Commerce
Hearing on “Is the Broadband Stimulus Working?”
Subcommittee on Communications and Technology
February 27, 2013

I’m glad to see the Subcommittee tackling the issue of broadband expansion this early in the Congress, because there is an important link between broadband expansion and economic development. Providing access to broadband services around the country, and especially in rural areas, increases the strength of local economies and improves the quality of life for American families. It’s good for Congress to take a look at the effectiveness of some of our broadband investments, and, even though this hearing is focused on the Recovery Act, I hope we don’t lose sight of the broader positive impacts of our ongoing investments in rural broadband, and the impact on families, businesses and communities in rural areas.

There are many Iowa telecom companies that have had a long and successful history with the USDA Rural Utilities Service. RUS has done a great job in my home state, under the leadership of our Rural Development Director Bill Menner, and there are thousands of Iowans who now have broadband service thanks to RUS programs. In fact, many of these investments in Iowa and in other rural states are only possible because of the public/private partnership between rural providers, RUS and the Universal Service Fund.

For example, OmniTel Communications in Floyd County, Iowa, serves a number of communities, including some very rural parts of North Iowa. Funds from the Recovery Act allowed them to replace old technology in some communities, and to build fiber to higher cost, remote communities that were previously too far out for broadband. Much of this area had no broadband, no video, and no other advanced services. This is an example of an investment working, where it needs to work, and thousands of Iowa families, businesses and students benefiting as a result.

Another successful RUS project was a \$7 million loan for Interstate Communications in Truro, south of Des Moines, to extend fiber to exchanges in Truro, St. Charles and St. Marys. The network expansion has helped the I-35 School District and has developed a space that can be used to recruit a call center, and the jobs to come with it, to St. Charles. This is a real example of economic development thanks to these types of investments in rural broadband.

All of that said, I recognize that not everywhere is a success story. And it's frustrating to see when loans or grants go where they aren't needed, or are used in ways that aren't targeted, or are duplicative. The focus should be on the customer – those families, students and businesses who are put at a competitive disadvantage because they don't happen to live in a place that has affordable access to this type of technology.

About 150,000 Iowans are still unserved. As we examine these needs, I'd be interested to hear about lessons learned that can be applied in the future. I would hope we all agree on some of the goals: serving those areas that need broadband, and doing it in a way that is using taxpayer money smartly and effectively. Thank you to the witnesses for being here today, and I look forward to today's testimony. Thank you Mr. Chairman.